

LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



KERRY K. HOWARD
General Manager/CEO

May 28, 2008

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

MAY 29 2008

PUBLIC SERVICE
COMMISSION

RE: Case No. 2007-00378

Dear Ms. Stumbo:

In accordance with the Commission's Order in Case No. 2007-00378 dated May 01, 2008, enclosed herewith are an original and six (6) copies of the information as requested. If additional information is needed or required, please let us know.

Sincerely,

Kerry K. Howard
General Manager/CEO

KKH:slv

Enclosures

Licking Valley Rural Electric Cooperative Corporation

In the matter of:

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIX-MONTH BILLING PERIODS ENDING JUNE 30, 2006 AND DECEMBER 31, 2006, FOR THE TWO-YEAR BILLING PERIOD ENDING JUNE 30, 2007, AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES

CASE NO. 2007-00378



Licking Valley Rural Electric
Cooperative Corporation
A Touchstone Energy® Cooperative 

**Licking Valley RECC
Case No. 2007-00378**

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LICKING VALLEY RECC
PSC CASE NO. 2007-00378
INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST DATED MAY 01, 2008
REQUEST NO. 1
RESPONDING PERSON: Kerry K. Howard, General Manager/CEO

Request No. 1: Has your cooperative experienced any problems in administering its environmental surcharge pass through mechanism over the 2-year period under review in this case? If yes, explain in detail the nature of the problems and any suggested changes to cure the problems.

Response No. 1: No, Licking Valley RECC has not experienced any problems.

LICKING VALLEY RECC
PSC CASE NO. 2007-00378
INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST DATED MAY 01, 2008
REQUEST NO. 2
RESPONDING PERSON: Kerry K. Howard, General Manager/CEO

Request No. 2: Has your cooperative received any customer complaints regarding the environmental surcharge pass through mechanism during the 2-year period under review in this case? If yes, state the number of complaints received, the nature of each complaint, and the service classification of each customer making a complaint.

Response No. 2: Licking Valley RECC has not received any complaints regarding the environmental surcharge pass through mechanism. We have, however, received general complaints about the environmental surcharge being on the bill. The complaints were verbal from customers classified as residential service. The number of complaints was not recorded.

LICKING VALLEY RECC
PSC CASE NO. 2007-00378
INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST DATED MAY 01, 2008
REQUEST NO. 3
RESPONDING PERSON: Kerry K. Howard, General Manager/CEO

Request No. 3: Does your cooperative believe that its environmental surcharge pass through mechanism has operated reasonably over the 2-year period under review in this case? If no, explain in detail.

Response No. 3: Yes.

LICKING VALLEY RECC
PSC CASE NO. 2007-00378
INFORMATION REQUEST RESPONSE

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED MAY 01, 2008
REQUEST NO. 4**

RESPONDING PERSON: Kerry K. Howard, General Manager/CEO

Request No. 4: Does your cooperative have any recommended changes for its existing environmental surcharge pass through mechanism? If yes, explain in detail the nature of each change and the reasons why the change is needed.

Response No. 4: Licking Valley RECC's power supplier, East Kentucky Power Cooperative, Inc. ("EKPC") has been made aware of the fact that some EKPC member systems are experiencing an under-recovery of the environmental surcharge from certain customer classes, or large customers, due to the pass-through mechanism. Since the impact of this situation varies among different member systems, EKPC is currently evaluating this issue, in an attempt to identify possible changes in the allocation methodology which would be equitable for all member systems and retail customers. It is hoped that some acceptable changes to the pass-through methodology can be developed within the next 60 days. EKPC plans to present any proposed changes to the pass-through methodology to the Commission for review at the earliest appropriate time.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
SIX-MONTH BILLING PERIODS ENDING)
JUNE 30, 2006 AND DECEMBER 31, 2006, FOR)
THE TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2007, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)

CASE NO. 2007-00378

CERTIFICATE

STATE OF KENTUCKY)
COUNTY OF MORGAN)

Kerry K. Howard, General Manager/CEO, being duly sworn, states that he has supervised the preparation of the responses of Licking Valley RECC to the Public Service Commission Data Requests in the above-referenced case dated May 01, 2008, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

[Handwritten signature of Kerry K. Howard]
Kerry K. Howard
General Manager/CEO

Subscribed and sworn before me on this 28th day of May, 2008.

[Handwritten signature of Notary Public]
Notary Public

My Commission expires:

05/29/2012

**Licking Valley RECC
Case No. 2007-00378**

CERTIFICATE OF SERVICE

Counsel certifies that true and correct photocopies of the foregoing Verified Response by Licking Valley RECC was served by mailing a true and correct copy of the same, first class postage prepaid on the 28th day of May, 2008, to the following:

Original and Six (6) Copies to:

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602-0615

Copies to:

Big Sandy RECC
504 Eleventh Street
Paintsville, KY 41240-1422

Bluegrass Energy Cooperative Corporation
Post Office Box 990
Nicholasville, KY 40340-0990

Clark Energy Cooperative, Inc.
Post Office Box 748
Winchester, KY 40392-0748

Cumberland Valley Electric, Inc.
Post Office Box 440
Gray, KY 40734-0440

East Kentucky Power Cooperative, Inc.
Post Office Box 707
Winchester, KY 40392-0707

Farmers RECC
Post Office Box 1298
Glasgow, KY 42142-1298

Fleming-Mason Energy Cooperative
Post Office Drawer 328
Flemingsburg, KY 41041

Grayson RECC
109 Bagby Park
Grayson, KY 41143

Inter-County Energy Cooperative Corporation
Post Office Box 87
Danville, KY 40423-0087

Jackson Energy Cooperative
Post Office Box 307
McKee, KY 40447-0307

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

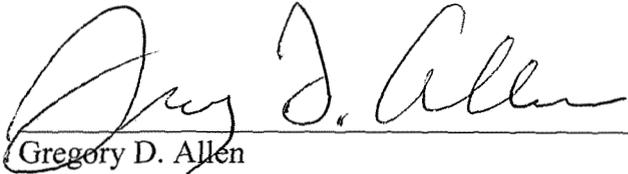
Owen Electric Cooperative
Post Office Box 400
Owenton, KY 40359-0400

Salt River Electric Cooperative Corporation
Post Office Box 609
Bardstown, KY 40004-0609

Shelby Energy Cooperative, Inc
620 Old Finchville Road
Shelbyville, KY 40065-1714

South Kentucky RECC
925-929 N. Main Street
Somerset, KY 42503

Taylor County RECC
625 West Main Street
Campbellsville, KY 42719

A handwritten signature in black ink, appearing to read "Gregory D. Allen". The signature is written in a cursive style with a horizontal line underneath it.

Gregory D. Allen

Collins & Allen Law Office

Post Office Box 475

Salyersville, KY 41465-0475